# GOVERNMENT OF INDIA
# PANCHAYATI RAJ
# LOK SABHA

UNSTARRED QUESTION NO:1923
ANSWERED ON:28.07.2016
Panchayati Raj Institutions
Chandrakasi Shri M.;Godse Shri Hemant Tukaram

**Will the Minister of PANCHAYATI RAJ be pleased to state:**

(a) whether the Panchayati Raj Institutions (PRIs) are working with the same spirit in the country for which they have been constituted;
(b) the level of financial devolution and autonomy granted to the PRIs in the country; and
(c) whether the Government has any new proposals to strengthen the Panchayati Raj mechanism in the country, if so, the details thereof?

## Answer

MINISTER OF STATE IN THE MINISTRY OF PANCHAYATI RAJ
(SHRI PARSHOTTAM RUPALA)

(a) Panchayat being 'Local Bodies' is a State subject mandated at Part IX and List II (State List) of Seventh Schedule (Article 246) of the Constitution of India. Panchayats have been constituted in all States and Union Territories (UTs) covered under the Part IX of the Constitution. As per the Constitution, panchayats are to function as institutions of self-government and to prepare plans and implement schemes for economic development and social justice, as are entrusted to them. Panchayats work to meet these objectives, subject to the powers devolved to them by the concerned States.

(b) As per Article 243H of the Constitution, the States are empowered to devolve appropriate taxes and other sources of revenue to Panchayats. States vary in the extent to which they have devolved taxes and sources of revenue to Panchayats. The main sources of finances of Panchayats are tied and untied grants from the Central and State Governments and own sources of revenue. The extent of autonomy of Panchayats is generally defined in the respective State Panchayati Raj Acts and notifications/orders.

(c) A new restructured scheme of Rashtriya Gram Swaraj Abhiyan (RGSA) aims at strengthening PRIs by way of capacity building of the PRIs and its functionaries, through more use of technology and handholding some Panchayats as peer learning centres. Further, in order to ensure proper utilization of Fourteenth Finance Commission award and to achieve convergence with other programmes like Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), the Ministry has facilitated preparation of Gram Panchayat development plans and State specific guidelines and budgeting, accounting and auditing manuals for brining financial discipline.

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